



Skills Funding  
Agency

# Funding Rules 2013/2014

Traineeships delivered by 16-18 Apprenticeship providers

May 2013

Of interest to providers and employers

## Funding Rules 2013/2014

### Traineeships delivered by 16-18 Apprenticeship providers

The traineeship programme will start on 1 August 2013. The traineeship programme supports providers and employers with the freedoms and flexibilities to bring together elements (as described in paragraph 16 below) to create a programme of learning in response to each young person's needs.

It is an opportunity to improve the range of quality options available for young people to engage with, particularly those who would not otherwise be engaged in education, employment or training.

We have set out these funding rules using the Education Funding Agency's (EFA's) funding method. This method is described in the [EFA's Funding guidance for young people 2013/14; Funding Rates and formula document](#).

You must therefore read these rules together with three EFA guidance documents; the [EFA's Funding guidance for young people 2013/14; Funding regulations and Rates and formula documents](#) and the [16-19 Bursary Fund Guide for 2013/14](#).

You should also read these rules together with the [traineeships Framework for Delivery document](#) and the [ILR Provider support manual](#).

We will provide additional information on access to funds, funding claims and evidence requirements in the Funding Rules 2013/2014, Version 3 which we will publish in due course.

### Provider eligibility and contracting

1. In 2013/2014, you are only eligible to deliver traineeship provision if you have achieved an Ofsted inspection grade of Outstanding (Grade 1) or Good (Grade 2).
2. These funding rules apply if you do not hold a funding agreement with the EFA, but have a funding agreement with us for 16-18 Apprenticeship delivery.
3. If you have an existing funding agreement with the EFA and a 16-18 Apprenticeship funding agreement with us, you will access funding for traineeships through your funding agreement with the EFA and therefore these rules do not apply to you. Please refer directly to the EFA's funding guidance.
4. If you do not hold a funding agreement with the EFA, but have a funding agreement with us for 16-18 Apprenticeship delivery, we will make an additional allocation for traineeship delivery and you will access funding for traineeships through us using the EFA's funding-per-student method based on hours<sup>1</sup>. This will ensure that all providers delivering traineeships to 16-18 year olds have access to the same offer and receive equal funding.

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<sup>1</sup> EFA's funding-per-student method is based on the total qualification and non-qualification hours that should be recorded in the Individualised Learner Record (ILR). It is not based on the value of the individual qualifications that a learner follows. Please see Annex B to the [EFA's Funding guidance for young people 2013/14; Funding regulations](#).

5. You must not use your 16-18 Apprenticeship budget to deliver traineeships.
6. Your traineeship allocation must be used for the sole purpose of delivering traineeships; we will monitor this through our performance management approach and discuss any changes needed with individual providers.
7. If you require a change to your traineeship allocation, you must request this by contacting your relationship manager.
8. If you are a lead provider with a funding agreement to deliver traineeships, you can subcontract to existing subcontractors who had been declared on the Subcontracting Register at 1 June 2013.
  - 8.1. If you are a lead provider and want to enter into a new subcontracting arrangement for traineeships with another lead, then the second lead must have achieved an Ofsted inspection grade of Outstanding (Grade1) or Good (Grade 2).
  - 8.2. For traineeships, you cannot enter into new subcontracting arrangements with organisations that do not have an existing Ofsted grade of either Outstanding or Good. All standard subcontracting rules apply (you can find additional information in paragraphs 320-352 of the Skills Funding Agency's [Funding Rules 2013/2014 Version 2](#)).
  - 8.3. Under the traineeship programme eligible lead providers must not subcontract to an Ofsted-graded Inadequate provider or a provider under a Notice of Concern.

## Learner eligibility

9. To be eligible for funding for a traineeship, a young person must meet the EFA's residency requirements as set out in paragraphs 20 to 37 of the [EFA's Funding guidance for young people 2013/14; Funding regulations document](#).
10. The young person must also be:
  - 10.1. aged 16-18<sup>2</sup> and have not yet achieved a full Level 3 (such as two A-levels) **or**
  - 10.2. aged up to academic age 25 and in receipt of a Learning Difficulty Assessment (LDA); **and**
  - 10.3. be unemployed<sup>3</sup> on the first day of a traineeship, have little work experience and be focused on work or the prospect of it.

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<sup>2</sup> A 16- to 18-year-old learner is any learner who is aged 16, 17 or 18 on 31 August in the relevant funding year.

<sup>3</sup> For the purposes of traineeships, 'unemployed' means an individual is either not in paid employment or is in paid employment working fewer than 16 hours a week and is available to start work.

11. Providers and employers must assess that there is a reasonable chance of the young person being ready for employment, an Apprenticeship or a full-time study programme within six months of engaging in the traineeship. This must be recorded in the Learning Agreement.
12. Traineeships funding must not be used for:
  - 12.1. those who are ready to start an Apprenticeship; or
  - 12.2. those who are employed<sup>4</sup>.

## Traineeship duration

The aim of the traineeship programme is to secure a young person's progression to an Apprenticeship or sustainable job. Where a young person successfully progresses to an Apprenticeship, a full time study programme or a job that meets the Raising of the Participation Age (RPA) requirements, this will be reflected in the funding method. You can find further details on this in paragraphs 28 and 29 of the [EFA's Funding guidance for young people 2013/14; Rates and formula document](#).

13. The maximum duration for a traineeship is six months from registration with the provider.
14. You must record the planned hours for a learner in the Individualised Learner Record (ILR). This covers all elements of the traineeship including the flexible elements (see paragraph 26). Please note that learners on a traineeship will normally be funded as a part-time study programme based on the planned hours entered on the appropriate funding rate band. You can find further details on the EFA's national funding rates in paragraph 5 of the [EFA's Funding guidance for young people 2013/14; Rates and formula document](#).
15. If, following six months on the programme, the learner has yet to complete all its elements, the work placement element must be completed, signalling the end of the traineeship.

## Traineeship core elements

16. A traineeship must include the following elements:
  - 16.1. work placement
  - 16.2. work preparation training
  - 16.3. English and/or maths where required (see paragraphs 24 and 25 below).

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<sup>4</sup> For the purposes of traineeships 'employed' is defined as an individual who has a contract of employment. However, the individual is not classified as employed if they work fewer than 16 hours a week.

## Work placement

17. The traineeship must include a work placement that is no shorter than six weeks and no longer than five months in duration.
18. You must record the work placement in the ILR as the core aim in a learner's study programme.
19. The work placement must take place with an employer in a workplace setting. It is our expectation that the lead employer is identified before a young person starts a traineeship.
20. More than one employer may provide a work placement but a learner on a traineeship must spend no less than two weeks during their traineeship with a single employer.
21. All learners must be offered an interview with the work placement lead employer at the end of the placement. This can take two forms:
  - 21.1. a formal interview and feedback where there is a job or Apprenticeship vacancy, or
  - 21.2. an exit interview, feedback and written reference from the employer who provided the placement.

## Work preparation

22. If the work preparation training is accredited, it must be offered by an Ofqual-recognised awarding organisation and approved on Learning Aim Reference Application (LARA)/ Learning Aim Rates Service (LARS) for 16-18 funding in the 2013/2014 academic year. Work preparation for the learner can be non-accredited in which case it should be recorded in the ILR using the appropriate codes.
23. Work preparation training must be focussed on the needs of the learner and may encompass aspects such as CV writing, interview preparation, job search and inter-personal skills.

## English and maths

24. All learners must be assessed for English and maths. Any learner without a minimum GCSE grade C in English and maths must be supported to progress and, based on the learner's need, enrolled on one of the following qualifications in these subjects:
  - 24.1. GCSE
  - 24.2. entry level, level one or level 2 Functional Skills
  - 24.3. foundation, intermediate or advanced Free Standing Maths Qualifications (in relation to maths only), or
  - 24.4. English for speakers of other languages (ESOL) qualifications (in relation to English only).

25. Where the learner has already achieved a Functional Skills qualification at level 2 they must work towards the achievement of a GCSE grade A\* to C.

### Flexible element

26. Alongside the core elements, you and the employer have the flexibility to offer other activities<sup>5</sup> including using the availability of appropriate vocational qualifications approved on the [section 96](#) qualifications list, offered by Ofqual-recognised awarding organisations and approved on LARA/LARS for 16-18 funding in the 2013/2014 academic year.

### Individualised Learner Record (ILR)

27. You must complete the standard ILR fields following the rules for recording learners funded through the EFA's 16-19 funding model as set out in the [ILR Specification for 2013/14](#), and the [ILR Provider Support Manual](#).

27.1. You must report all traineeships provision by using code 25 in the Funding Model field.

27.2. You must record the work placement in the ILR using one of the generic learning aim references for work experience listed in LARA/LARS as the core aim in a learner's study programme.

27.3. You must record learning delivery monitoring code LDM323 against all learning aims that are delivered as part of a traineeship. This is recorded in the Learning Delivery Funding and Monitoring fields.

27.4. 16-19 English, maths and work preparation skills must be recorded on the ILR in the usual way using the appropriate learning aim reference from LARA/LARS.

27.5. If a learner has a Learning Difficulty Assessment (LDA) or an Education, Health and Care Plan (EHCP), you must record this in the Learner Funding and Monitoring fields in the ILR.

### Performance Management

28. The Skills Funding Agency will monitor the performance of traineeships through its established processes. Ofsted will review traineeship provision during the course of inspections and will report on quality within published inspection reports. Where providers fail to deliver Skills Funding Agency provision to expected standards we will take action in accordance with our published intervention strategy in the [Provider Risk Assessment and Management document](#).

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<sup>5</sup> See [traineeships Framework for Delivery document](#) page 17, paragraph 62.

## Disadvantage funding

Under the EFA's funding method, disadvantage funding is made up of two blocks: one takes account of learners' economic deprivation (Block 1), and the other takes account of low prior attainment in English and maths (Block 2). Further details on disadvantage funding can be found in paragraphs 45-55 of the [EFA's Funding guidance for young people 2013/14; Rates and formula document](#).

29. Block 2 funding is not intended to fund English and maths qualifications (that is, GCSEs and Functional Skills) and should be used to fund support for all learners to achieve their learning goals. This includes support for those with low-cost, high-incidence learning difficulties and disabilities.

## High needs student (HNS) funding

High needs students (HNS) are those learners who need support over and above that which is normally provided in a standard programme, in order to gain access to, progress towards and successfully achieve their learning goals. You can find further details on HNS funding in paragraphs 61 to 64 of the [EFA's Funding guidance for young people 2013/14; Rates and formula document](#). Learners aged 19-24 with an LDA are eligible for EFA funding.

30. Where a learner needs more than £6,000 of support costs, you must inform your relationship manager.

31. You must record high needs students using code ALS1 in the Learner Funding and Monitoring fields in the ILR.

## 16-19 Bursary fund

Learners accessing traineeship provision will be able, if eligible or supported through provider discretion, to access the 16-19 Bursary fund. The 16-19 Bursary fund has two elements: an element for learners in defined vulnerable groups and a discretionary element awarded by providers to young people that best fit the needs and circumstances of their learners. The rules below must be read in conjunction with the EFA's [16-19 Bursary Fund Guide for 2013/14](#).

## **Vulnerable student bursaries**

32. Learners in the defined vulnerable groups will be eligible for a bursary of £1,200 if their course lasts for 30 weeks or more (you should pay a proportional (pro-rata) amount for courses lasting less than 30 weeks a year).
33. You must identify learners that are eligible for a vulnerable student bursary payment. The defined vulnerable groups are as follows:
- 33.1. young people who are looked after (in care)
  - 33.2. care leavers
  - 33.3. young people in receipt of income support or Universal Credit in their own name, and
  - 33.4. disabled young people in receipt of both Employment and Support Allowance and Disability Living Allowance (or Personal Independence Payments).
34. You must draw down the funding for learners in the defined vulnerable groups on demand from the Learner Support Service by completing a Funding Claim form, which you can download from the Department for Education website from June 2013. You should submit this form to the Learner Support Service by email to [enquiries@efalearnersupport.co.uk](mailto:enquiries@efalearnersupport.co.uk).

## **Discretionary bursaries**

35. You can make discretionary bursary awards to young people in ways that best fit the needs and circumstances of your learners. You should target bursary awards towards those young people who face the greatest financial barriers to participation; such as the costs of transport, meals, books and equipment.
36. You are free to determine which young people should receive a discretionary bursary award, and the frequency of and conditions for payments for all awards, subject to the requirements of the Equality Act 2010 and the allocated budget.

## **Care to Learn**

37. Care to Learn provides financial support with the costs of childcare to help young parents who may not otherwise be able to complete their education. Learners must apply for Care to Learn in each academic year to continue to receive support.
38. You can find further details of the administration of the Care to Learn Scheme for providers on the Department for Education's [website](#).







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